



## ANNUAL USE OF CAPITAL SURVEY - 2009

## NAME OF INSTITUTION

(Include Holding Company Where Applicable)

QCR Holdings, Inc.

Person to be contacted regarding this report:	John R. Oakes, VP-Controller
CPP Funds Received:	\$38,237,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	2/13/2009
Date Repaid <sup>1</sup> :	

RSSD: (For Bank Holding Companies)	2125813
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	
City:	Moline
State:	Illinois

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	Our participation in the Treasury Capital Purchase Program has enhanced our ability to support the existing communities we serve. Specifically, we increased our lending during 2009 as total loans/leases grew 2%, or \$30.0 million.
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<input checked="" type="checkbox"/>	<p>To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).</p>	<p>We increased lending across the majority of our loan/lease types including commercial and industrial, commercial real estate, and direct financing leases. Overall, we originated over \$400 million new loans/leases to new and existing customers during 2009. See below.</p>
<input checked="" type="checkbox"/>	<p>Increase securities purchased (ABS, MBS, etc.).</p>	<p>Our securities portfolio increased \$114 million during 2009. The growth consisted largely of U.S. government sponsored agency securities. These investments enhanced our liquidity position and, in turn, our ability to fund additional lending/leasing within the communities we serve.</p>
<input checked="" type="checkbox"/>	<p>Make other investments</p>	<p>We injected the CPP funds as capital into our three subsidiary banks. This allowed for increased liquidity and enhanced ability to serve the lending needs of the communities we serve. See below.</p>
<input checked="" type="checkbox"/>	<p>Increase reserves for non-performing assets</p>	<p>In accordance with Generally Accepted Accounting Principles (GAAP) and as a result of the economic challenges facing our communities, we increased our reserves for non-performing assets during 2009.</p>

<input type="checkbox"/>	Reduce borrowings	
<input checked="" type="checkbox"/>	Increase charge-offs	In accordance with Generally Accepted Accounting Principles (GAAP) and as a result of the economic challenges facing our communities, we increased charge-offs of non-performing assets during 2009.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	We were able to use the CPP funds to further strengthen our capital position at the Company and all three subsidiary banks. With the enhanced capital position, we were able to better serve our communities.

What actions were you able to avoid because of the capital infusion of CPP funds?

We were able to avoid raising the additional capital necessary to retain and enhance our ability to serve our customers. The efficiency and consistency of the capital markets for companies of our size appeared questionable during the time of application for CPP funds. Further, the capital infusion of CPP funds allowed us to avoid reducing our lending/leasing activities which enabled us to continue to support our communities.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

The capital infusion of CPP funds allowed our Banks to continue to lend/lease during these challenging economic times. We were able to originate nearly \$408 million of new loans/leases to new or existing customers within the communities we serve. Specifically, we originated \$139 million of new commercial and industrial loans, \$117 million of new commercial real estate loans, \$28 million of new direct financing leases, \$107 million of new residential real estate loans, and \$17 million of new installment and other consumer loans.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

See above.